

CHAPTER 208**APPROPRIATIONS — HUMAN SERVICES***H.F. 715*

AN ACT relating to appropriations for the department of human services and the prevention of disabilities policy council and including other provisions and appropriations involving human services and health care, and providing for effective and applicability dates.

Be It Enacted by the General Assembly of the State of Iowa:

**DIVISION I
APPROPRIATIONS**

Section 1. FAMILY INVESTMENT PROGRAM GENERAL FUND. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To be credited to the family investment program account and used for assistance under the family investment program under chapter 239 or the JOBS program under chapter 249C, or under chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session:*

..... \$ 9,060,000

1. The department of workforce development, in consultation with the department of human services, shall implement recruitment and employment practices to include former and current family investment program recipients. The department of workforce development shall submit a report of the practices implemented and the results of the implementation to the general assembly by January 1, 1998.

It is the intent of the general assembly that the department of human services shall work with the department of workforce development and local community collaborative efforts to provide support services for family investment program participants. The support services shall be directed to those participant families who would benefit from the support services and are likely to have success in achieving economic independence. ****Community collaborative efforts selected to provide support services shall have an existing program providing support services with a significant local match and a measurable record of success.****

2. Of the funds appropriated in this section, \$6,832,592 is allocated for the JOBS program.

3. The department shall work with religious organizations and other charitable institutions to increase the availability of host homes, referred to as second chance homes or other living arrangements under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 103. The purpose of the homes or arrangements is to provide a supportive and supervised living arrangement for minor parents receiving assistance under the family investment program who, under 1995 Iowa Acts, chapter 53, section 1, subsection 3, paragraph "a", or under chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session,* may receive assistance while living in an alternative setting other than with their parent or legal guardian.

Sec. 2. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BLOCK GRANT. There is appropriated from the fund created in section 8.41 to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, from moneys received under the federal temporary assistance for needy families block grant pursuant to the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, which are appropriated for the federal fiscal years beginning October 1, 1996, and ending September 30, 1997, and beginning October 1, 1997, and ending September 30, 1998, the following amounts to be used for the purposes designated:

* Chapter 41 herein

** Item veto; see message at end of the Act

Moneys appropriated in this section shall be used in accordance with the federal law making the funds available, applicable Iowa law, appropriations made from the general fund of the state in this Act for the purpose designated, and administrative rules adopted to implement the federal and Iowa law. If actual federal revenues credited to the fund created in section 8.41 through June 30, 1998, are less than the amounts appropriated in this section, the amounts appropriated shall be reduced proportionately and the department may reduce expenditures as deemed necessary by the department to meet the reduced funding level:

1. To be credited to the family investment program account and used for assistance under the family investment program under chapter 239 or chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session:*

..... \$ 97,288,698

2. For the job opportunities and basic skills (JOBS) program, and implementing family investment agreements, in accordance with chapter 249C, or chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session:*

..... \$ 18,038,404

3. For field operations:

..... \$ 5,756,227

4. For general administration:

..... \$ 2,573,844

5. For local administrative costs:

..... \$ 1,732,617

6. For replacement of reductions in the federal social services block grant with federal TANF block grant funds, except for the allocation to child care:

..... \$ 4,546,031

7. For state child care assistance:

..... \$ 1,214,089

8. For emergency assistance:

..... \$ 375,049

Notwithstanding section 8.33, moneys appropriated in this section of this Act which remain unencumbered or unobligated at the close of the fiscal year shall not revert from the fund from which appropriated but shall remain available for allocation under law in the succeeding fiscal year.

Sec. 3. FAMILY INVESTMENT PROGRAM ACCOUNT.

1. Moneys credited to the family investment program account for the fiscal year beginning July 1, 1997, and ending June 30, 1998, shall be used in accordance with the following requirements:

a. The department shall provide assistance in accordance with chapters 239 and 249C or in accordance with chapter 239B, as created in Senate File 516, if enacted by the Seventy-seventh General Assembly, 1997 Session.*

b. The department shall continue the special needs program under the family investment program.

c. The department shall implement federal welfare reform data requirements pursuant to the appropriations made for that purpose.

d. The department shall continue expansion of the electronic benefit transfer program as necessary to comply with federal requirements. The target date for statewide implementation of the program is July 1, 1999.

e. The department shall conduct an evaluation of the welfare reform program and child well-being provisions to measure the program's effectiveness, impacts on children and families, and impacts across programs, and to identify effective strategies.

f. The department shall continue to contract for services in developing and monitoring an entrepreneurial training program to provide technical assistance to families which receive assistance under the family investment program.

* Chapter 41 herein

g. For family investment agreements developed beginning July 1, 1997, the maximum allowable time period for postsecondary education is limited to twenty-four months.

2. The department may transfer funds in accordance with section 8.39, either federal or state, to or from the child day care appropriations made for the fiscal year beginning July 1, 1997, if the department deems this would be a more effective method of paying for JOBS program child care, to maximize federal funding, or to meet federal maintenance of effort requirements.

3. Moneys appropriated in this Act and credited to the family investment program account for the fiscal year beginning July 1, 1997, and ending June 30, 1998, are allocated as follows:

a. For the food stamp employment and training program:

..... \$ 129,985

b. For the family development and self-sufficiency grant program as provided under section 217.12:

..... \$ 2,328,805

(1) Of the funds allocated for the family development and self-sufficiency grant program in this lettered paragraph, not more than 5 percent of the funds shall be used for the administration of the grant program.

(2) Based upon the annual evaluation report concerning each grantee funded by previously appropriated funds and through the solicitation of additional grant proposals, the family development and self-sufficiency council may use the allocated funds to renew or expand existing grants or award new grants. In utilizing the increased funding to expand the program, the council shall give consideration, in addition to other criteria established by the council, to a grant proposal's intended use of local funds with a grant and to whether a grant proposal would expand the availability of the program's services to a wider geographic area.

(3) Family development and self-sufficiency grantees shall not supplant previous local funding with state or federal funds.

c. For increasing participation in vocational and postsecondary training which lasts not more than twelve months:

..... \$ 998,400

d. For replacing reductions in the federal social services block grant with federal TANF block grant funds, except for the allocation to child care:

..... \$ 4,546,031

e. For child day care in place of funds previously allocated from the federal social services block grant to child care:

..... \$ 1,214,089

The department may transfer the allocation made in this paragraph directly into the appropriation made in this Act for child day care.

f. If an enactment of the Seventy-seventh General Assembly, 1997 Session, establishes a new Code chapter 239B, as created in Senate File 516,* and provides for the elimination of the work transition period under the family investment program, the following allocations shall apply:

(1) For the diversion subaccount of the family investment program account:

..... \$ 500,000

Moneys allocated to the diversion subaccount shall be used for a pilot initiative of providing incentives to assist families who would otherwise be eligible for the family investment program in obtaining or retaining employment and to assist participant families in overcoming barriers to obtaining employment. Incentives may be provided in the form of payment or services. The department may limit the availability of the pilot initiative on the basis of geographic area or numbers of individuals provided with incentives. The department shall make recommendations on or before January 15, 1998, regarding the potential benefits of expanding the initiative. The department may adopt emergency administrative

* Chapter 41 herein

rules in order to implement the provisions of this subparagraph.

(2) For incentive grants of not more than \$5,000 per grant to community organizations serving as an operating organization for administration of individual development accounts in accordance with chapter 541A:

..... \$ 50,000

(3) For assistance associated with elimination of the employment earnings disregard period when determining the effective date of assistance for unemployed parent families:

..... \$ 150,000

4. Of the child support collections assigned under the family investment program, an amount equal to the federal share of support collections shall be deposited in the child support recovery appropriation. The remainder of the assigned child support collections and the state share of incentives received by the child support recovery unit shall be deposited in the family investment program account.

5. The department shall discontinue payment of the first \$50 of the assigned child support collected by the department in any given month to an applicant for family investment program assistance approved for assistance on or after the effective date of this Act. A recipient who is approved to receive assistance prior to the effective date of this Act shall continue to be eligible to receive the payment until the recipient is no longer eligible for the family investment program, but shall not be eligible to receive the payment upon reapplication and subsequent receipt of family investment program assistance. The department may adopt emergency rules to implement this subsection.

6. The department may adopt emergency administrative rules for the family investment, food stamp, and medical assistance programs, if necessary, to comply with federal requirements. Prior to adoption of the rules, the department shall consult with the welfare reform council, members of the public involved in development of welfare reform policy established in the 1993 legislative session, and the chairpersons and ranking members of the joint appropriations subcommittee on human services.

7. Moneys appropriated for the job opportunities and basic skills (JOBS) program in 1996 Iowa Acts, chapter 1213, section 7, which remain unobligated or unexpended at the close of the fiscal year beginning July 1, 1996, as provided in that Act, shall be used for the JOBS program in the fiscal year beginning July 1, 1997.

8. Not more than the following amounts of the moneys received under the temporary assistance for needy families block grant and appropriated to the department pursuant to 1997 Iowa Acts, House File 125,* section 1, which remain unobligated or unexpended at the close of the fiscal year beginning July 1, 1996, as provided in that Act, shall be used for the following purposes in the fiscal year beginning July 1, 1997, in the order designated:

a. For emergency assistance: \$ 224,951

b. For the JOBS program: \$ 300,000

c. For family support community-based grants: \$ 200,000

d. For pregnancy prevention grants: \$ 250,000

e. For technology needs and other resources necessary to meet federal welfare reform reporting, tracking, and case management requirements: \$ 2,950,000

9. Notwithstanding 1995 Iowa Acts, chapter 220, section 11, moneys appropriated to the department of human services for purposes of costs associated with the development of the X-pert computer system shall not revert on August 31, 1997, but shall remain available for the purpose designated until the close of the fiscal year beginning July 1, 1997.

Sec. 4. EMERGENCY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and

* Chapter 199 herein

ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For emergency assistance to families with dependent children for homeless prevention programs:

..... \$ 1,967,000

1. The emergency assistance provided for in this section shall be available beginning October 1 of the fiscal year and shall be provided only if all other publicly funded resources have been exhausted. Specifically, emergency assistance is the program of last resort and shall not supplant assistance provided by the low-income home energy assistance program (LIHEAP), county general relief, and veterans affairs programs. The department shall establish a \$500 maximum payment, per family, in a twelve-month period. The emergency assistance includes, but is not limited to, assisting people who face eviction, potential eviction, or foreclosure, utility shutoff or fuel shortage, loss of heating energy supply or equipment, homelessness, utility or rental deposits, or other specified crisis which threatens family or living arrangements. The emergency assistance shall be available to migrant families who would otherwise meet eligibility criteria. The department may contract for the administration and delivery of the program. The program shall be terminated when funds are exhausted.

2. For the fiscal year beginning July 1, 1997, the department shall continue the process for the state to receive refunds of rent deposits for emergency assistance recipients which were paid by persons other than the state. The refunds received by the department under this subsection shall be deposited with the moneys of the appropriation made in this section and used as additional funds for the emergency assistance program. Notwithstanding section 8.33, moneys received by the department under this subsection which remain after the emergency assistance program is terminated and state moneys in the emergency assistance account which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure when the program resumes operation on October 1 in the succeeding fiscal year.

3. Of the funds appropriated in this section, \$10,000 is allocated to the community voice mail program to continue the existing program. The funds shall be made available beginning July 1, 1997.

Sec. 5. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$ 381,789,000

1. Medically necessary abortions are those performed under any of the following conditions:

a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

c. The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

d. The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated in this section.

3. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care for adults which is reimbursed under a federally approved home and community-based waiver that would otherwise be approved for provision in an intermediate care facility for persons with mental retardation, provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 17 years of age and younger who are served in a medical assistance home and community-based waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 17 years of age and younger shall also be provided to persons residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of intermediate care facilities for persons with mental retardation (ICFMR), the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

4. The department may adopt and implement administrative rules regarding a prepaid mental health services plan for medical assistance patients. The rules shall include but not be limited to service provider standards, service reimbursement, and funding mechanisms. Notwithstanding the provisions of subsection 3, paragraph "a", of this section and section 249A.26, requiring counties to pay all or part of the nonfederal share of certain services provided to persons with disabilities under the medical assistance program, the state shall pay 100 percent of the nonfederal share of any services included in the plan implemented pursuant to this subsection.

5. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, Chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

6. Of the funds appropriated to the Iowa department of health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 1997, shall be transferred to the department of human services for an integrated substance abuse managed care system.

7. The department of human services, in cooperation with the Iowa department of public health and in consultation with county representatives and affected providers, shall review

potential funding streams, treatment methods, and provider options for expansion of dual diagnosis services, providing both mental health and substance abuse services, and shall report the findings of the review and recommendations to the joint appropriations subcommittee on human services on or before January 1, 1998.

8. The department shall continue the medical assistance home and community-based waiver for persons with physical disabilities as a means to further develop the personal assistance services program under section 225C.46. The waiver shall not be implemented in a manner which would require additional county or state funding for assistance provided to an individual served under the waiver. The waiver shall be limited in application to persons with physical disabilities who reside in a medical institution at the time of applying for assistance and who have been residents of a medical institution for a minimum of thirty consecutive days.

9. The department shall not expand the requirement of drug prior authorization without prior approval of the general assembly except to require prior authorization of an equivalent of a prescription drug which is subject to prior authorization as of June 30, 1997. The department shall adopt administrative rules to implement this provision.

10. The department of human services, in consultation with the Iowa department of public health and the department of education, shall continue the program to utilize the early and periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

11. The department shall continue the case study for outcome-based performance standards for programs serving persons with mental retardation or other developmental disabilities proposed pursuant to 1994 Iowa Acts, chapter 1170, section 56. The department shall adopt rules applicable to the programs included in the case study, request a waiver of applicable federal requirements, and take other actions deemed necessary by the department to continue the case study.

12. The department shall develop methodologies to directly reimburse hospitals with medical assistance-approved graduate medical education programs for the direct and indirect costs of medical education programs at those hospitals and for a disproportionate share payment as allowed by the federal cap at those hospitals with qualifying programs. The level of this reimbursement shall be equal to the amount of managed care capitation payments attributable to direct medical education plus indirect medical education add-on components included as part of the capitated rate setting methodology and to the amounts paid through the fee-for-service inpatient diagnostic-related groups and outpatient ambulatory patient groups hospital reimbursement systems for state fiscal year 1994-1995, with an adjustment, if the federal upper limits test has not been exceeded, to allow an increase for state fiscal year 1996-1997 costs. This subsection shall only apply to any capitated payment contracts entered into after June 30, 1997. The department may adopt emergency rules to implement this subsection.

13. The department, in consultation with the Iowa department of public health, the department of elder affairs, home and community-based service providers, consumers, and members of the joint appropriations subcommittee on human services, shall evaluate the feasibility of improving access and delivery of services to consumers and of improving cost-effectiveness by incorporating the personal care services option into the medical assistance program.

Sec. 6. HEALTH INSURANCE PREMIUM PAYMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For administration of the health insurance premium payment program, including salaries, support, maintenance, and miscellaneous purposes:

.....	\$	390,000
.....	FTEs	17.00

Sec. 7. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

.....	\$	7,700,000
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1. a. The department shall continue prospective drug utilization review and may establish drug surveillance prior authorization under the medical assistance program.

b. The department shall develop and implement an individual patient tracking system to assess the effectiveness of the drug prior authorization program. The system shall include patient specific elements including, at a minimum, the drug prescribed or requested, the alternative drug dispensed, the quantity requested, the quantity dispensed, and the drugs dispensed during required trials.

c. The department shall conduct a prior authorization cost-effectiveness study, at no cost to the state, and shall not use any entity or individual currently or previously utilized by the department to perform the study.

d. The prospective drug utilization review and prior authorization cost-effectiveness studies shall include, but are not limited to, all of the following:

(1) The net cost of the substitution of brand name drugs for which alternatives are required, including the drug rebates, if applicable, under the Iowa prior authorization regimen.

(2) The costs attributable to the ambulatory treatment of iatrogenic, unexpected conditions which result when the prescribed drug is not authorized and a substitution is made under the Iowa prior authorization regimen, when it is possible to determine that the conditions resulted from the substitution of the alternative medication for the prescribed medication.

(3) The costs attributable to institutionalization and treatment for iatrogenic, unexpected conditions which result when the prescribed drug is not authorized and a substitution is made under the Iowa prior authorization regimen when it is possible to determine that the condition resulted from the substitution of the alternative medication for the prescribed medication.

(4) The costs of prescribing mandates, such as requiring two failures of generic drug treatment before allowing the prescribing of a brand name alternative.

(5) The measurement of the cost-effectiveness of patient outcomes under prior authorization compared to the patient outcomes under prospective drug utilization review.

(6) The comparison of administrative costs for prior authorization review and prospective drug utilization review.

The department shall review the methodology for calculating and projecting costs savings and shall update the methodology, if necessary.

The costs identified under the studies performed shall be netted against the cost savings projected by the department to accurately determine and report cost savings for the drug prior authorization program.

The department shall submit a report of the studies to the general assembly on or before March 1, 1998, for review. Subsequent to that date, the general assembly may direct the department to remove from the categories of prescription drugs for which prior authorization is currently required, all of the drugs for which the comparative studies establish that prospective drug utilization review is at least as cost-effective in patient outcomes as prior authorization.

2. a. In any managed care contract for mental health or substance abuse services entered into by the department on or after July 1, 1997, the request for proposals shall allow for

coverage by the contractor on a regional or statewide basis. The department shall consult with the chairpersons and ranking members of the joint appropriations subcommittee on human services in developing the request for proposals and in evaluating the responses. In determining whether a contract shall be entered into to provide regional or statewide coverage, the department shall consider the most effective means of providing access to and delivery of services to recipients of services and shall consider the cost-effectiveness of the particular proposal.

b. The department, in consultation with the Iowa department of public health, shall evaluate the feasibility of combining coverage for mental health and substance abuse services in any managed care contract entered into for these services.

3. The department shall implement the plan, as submitted to the general assembly on or before January 1, 1996, to administratively pursue reimbursement for pharmacy services for which a recipient of medical assistance also has third-party coverage. The department may use increased collections of pharmaceutical rebates or existing funds to implement this subsection.

Sec. 8. STATE SUPPLEMENTARY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance, funeral assistance, and the medical assistance waiver for persons with mental retardation rent subsidy program:

..... \$ 19,190,000

1. The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

2. a. If during the fiscal year beginning July 1, 1997, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this Act to ensure that federal requirements are met. The department may adopt emergency rules to implement the provisions of this subsection.

b. If during the fiscal year beginning July 1, 1997, the department projects that state supplementary assistance expenditures will exceed the amount appropriated, the department may transfer funds appropriated in this Act for medical assistance for the purposes of the state supplementary assistance program. However, funds shall only be transferred from the medical assistance appropriation if the funds transferred are projected to be in excess of the funds necessary for the medical assistance program.

3. The department may use up to \$75,000 of the funds appropriated in this section for a rent subsidy program for adult persons to whom all of the following apply:

a. Are receiving assistance under the medical assistance home and community-based services for persons with mental retardation (HCBS/MR) program.

b. Were discharged from an intermediate care facility for persons with mental retardation (ICFMR) immediately prior to receiving HCBS/MR services.

The goal of the subsidy program shall be to encourage and assist in enabling persons who currently reside in an ICFMR to move to a community living arrangement. An eligible person may receive assistance in meeting their rental expense and, in the initial two months of eligibility, in purchasing necessary household furnishings and supplies. The program shall be implemented so that it does not meet the federal definition of state supplementary

assistance and will not impact the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g.

Sec. 9. CHILD DAY CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For protective child day care assistance and state child care assistance:

..... \$ 13,740,000

1. Of the funds appropriated in this section, \$3,696,286 shall be used for protective child day care assistance.

2. Of the funds appropriated in this section, \$8,215,889 shall be used for state child care assistance.

3. For the purposes of this subsection, the term "poverty level" means the poverty level defined by the poverty income guidelines published by the United States department of health and human services. Effective October 1, 1997, the department shall increase to 125 percent the maximum federal poverty level used to determine eligibility for state child care assistance. Based upon the availability of the funding provided in subsection 2 the department shall establish waiting lists for state child care assistance in descending order of prioritization as follows:

a. Families with an income at or below 100 percent of the federal poverty level whose members are employed at least 30 hours per week, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or equivalent.

b. Parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating, at a satisfactory level, in an approved training program or in an educational program.

c. Families with an income of more than 100 percent but not more than 125 percent of the federal poverty level whose members are employed at least 30 hours per week. Assistance provided to families pursuant to this paragraph shall be provided in accordance with a sliding fee scale developed by the department.

d. Families with an income at or below 155 percent of the federal poverty level with a special needs child as a member of the family.

e. Families with an income at or below 100 percent of the federal poverty level whose members are employed part-time at least 20 hours per week.

The department may adopt emergency rules to implement the provisions of this subsection.

4. Migrant seasonal farm worker families whose family income is equal to or less than 110 percent of the United States office of management and budget poverty guidelines are eligible for state child care assistance. The monthly family income shall be determined by calculating the total amount of family income earned during the 12-month period preceding the date of application for the assistance and dividing the total amount by 12.

5. Nothing in this section shall be construed or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the requirements of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

6. Of the funds appropriated in this section, \$636,641 is allocated for the statewide program for child day care resource and referral services under section 237A.26.

7. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child day care assistance and related programs. For the purpose of expenditures of state and federal child day care funding, funds shall be considered obligated at the time expenditures are projected or are allocated to the department's regions. Projections shall be based on current and projected caseload growth, current and

projected provider rates, staffing requirements for eligibility determination and management of program requirements including data systems management, staffing requirements for administration of the program, contractual and grant obligations and any transfers to other state agencies, and obligations for decategorization or innovation projects.

8. Of the funds appropriated in this section, \$1,191,184 is allocated for transitional child care assistance.

9. During the 1997-1998 fiscal year, the department shall utilize the moneys deposited in the child day care credit fund created in section 237A.28 for state child care assistance, in addition to the moneys allocated for that purpose in this section.

10. The department shall assist the Hispanic educational resource center in Des Moines in identifying or providing replacement funding if the elimination of previous allocations made to the center under this section results in a negative impact to the center in providing child day care services. If replacement funding is not identified, the department shall replace the funding with federal child care and development block grant moneys.

11. The department shall consult with service providers in evaluating the practice of requiring recipients of state child care assistance to make a co-payment to service providers. The evaluation shall consider the impact on system administration, service providers, and others. The department shall report the evaluation results to the governor and general assembly on or before December 15, 1997.

Sec. 10. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	6,605,000
.....	FTEs	226.22

1. The director of human services, within the limitations of the moneys appropriated in this section, or moneys transferred from the family investment program appropriation for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level. If the director adds employees, the department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the joint appropriations subcommittee on human services the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recovered.

2. Nonpublic assistance application fees, federal tax refund offset fees, and other user fees received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions. The director shall report any positions added pursuant to this subsection to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. The director of human services may establish new positions and add state employees to the child support recovery unit or contract for delivery of services if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions or contract, the positions or contract are necessary to

ensure continued federal funding of the program, or the new positions or contract can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions or the contract will generate at least 200 percent of the cost of the contract.

5. If initiated by the judicial department, the child support recovery unit shall continue to work with the judicial department to determine the feasibility of implementing a pilot project utilizing a court-appointed referee for judicial determinations on child support matters. The extent and location of any pilot project shall be jointly developed by the judicial department and the child support recovery unit.

6. The department shall expend up to \$50,000, including federal financial participation, for the fiscal year beginning July 1, 1997, for a child support public awareness campaign. The department and the office of the attorney general shall cooperate in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

7. The department shall continue the option to provide and supervise a community service pilot project for absent parents who are ordered by the court to perform community service for failure to pay child support pursuant to section 598.23A.

8. The director of human services may enter a contract with private collection agencies to collect support payments for cases which have been identified by the department as difficult collection cases if the department determines that this form of collection is more cost effective than departmental collection methods. The director may use a portion of the state share of funds collected through this means to pay the costs of any contracts authorized under this subsection.

9. Surcharges paid by obligors and received by the unit as a result of the referral of support delinquency by the child support recovery unit to any private collection agency are appropriated to the department and shall be used to pay the costs of any contracts with the collection agencies.

10. The child support recovery unit shall initiate a process to evaluate the satisfaction of consumers, including both obligors and obligees, with the child support recovery unit. The unit shall submit a report of the findings of the evaluation to the joint appropriations subcommittee on human services on or before December 15, 1997.

Sec. 11. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the operation of the state training school and the Iowa juvenile home, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

For the state juvenile institutions:

.....	\$	13,869,000
.....	FTEs	320.77

1. The following amounts of the funds appropriated and full-time equivalent positions authorized in this section are allocated for the Iowa juvenile home at Toledo:

.....	\$	5,147,000
.....	FTEs	118.54

2. The following amounts of the funds appropriated and full-time equivalent positions authorized in this section are allocated for the state training school at Eldora:

.....	\$	8,722,000
.....	FTEs	202.23

3. During the fiscal year beginning July 1, 1997, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21.

4. Of the funds appropriated in this section, \$10,000 shall be used by the state training school and \$8,000 by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 1997.

5. Within the amount appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 12. CHILD AND FAMILY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$ 111,084,000

1. The department may transfer moneys appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

2. a. Of the funds appropriated in this section, up to \$29,153,146 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. The department shall report quarterly to the legislative fiscal bureau concerning the status of each region's efforts to contain expenditures for group foster care placements in accordance with the regional plan established pursuant to section 232.143.

c. The department shall not certify any additional enhanced residential treatment beds, unless the director of human services approves the beds as necessary, based on the type of children to be served and the location of the enhanced residential treatment beds.

d. (1) Of the funds appropriated in this section, not more than \$5,690,600 is allocated as the state match funding for psychiatric medical institutions for children.

(2) The department may transfer all or a portion of the funds allocated in this paragraph for psychiatric medical institutions for children (PMICs) to the appropriation in this Act for medical assistance and shall not amend the managed mental health care contract to include PMICs.

e. Of the funds allocated in this subsection, \$1,419,005 is allocated as the state match funding for 50 highly structured juvenile program beds. If the number of beds provided for in this paragraph is not utilized, the remaining funds allocated may be used for group foster care.

f. It is the intent of the general assembly that of the statewide expenditure target established in this subsection, the moneys allocated in accordance with section 232.143 as the budget target to each of the department's regions shall constitute the region's annual budget for group foster care. The representatives appointed by the department of human services and the juvenile court to establish the plan to contain expenditures for children placed in group foster care ordered by the court within the budget target allocated to the region shall establish the plan in a manner so as to ensure the moneys allocated to the region under section 232.141 shall last the entire fiscal year.

3. The department shall establish a goal that not more than 15 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, may be placed in foster care for a period of more than 24 months.

4. In accordance with the provisions of section 232.188, the department shall continue the program to decategorize child welfare services in additional counties or clusters of counties.

5. The provisions of section 232.142, subsection 3, requiring financial aid to be paid by the state for the establishment, improvements, operation, and maintenance of county or

* Item veto; see message at end of the Act

multicounty juvenile detention homes shall not apply for the fiscal year beginning July 1, 1997. Section 25B.2, subsection 3, shall not apply to this subsection.

6. The amount of the appropriation made in this section available for foster care is based upon expansion of the number of children in foster care who are eligible for federal supplemental security income (SSI). The department may use up to \$200,000 of those funds to enter into a performance-based contract to secure SSI benefits for children placed in foster care. The contract shall include provisions for training of department of human services and juvenile court staff, completion of applications, tracking of application results, and representation during the appeals process whenever an appeal is necessary to secure SSI benefits. The department may extend the contract for an additional two years. Notwithstanding section 217.30 and section 232.2, subsection 11, and any other provision of law to the contrary, the director or the director's designee on behalf of a child in foster care may release medical, mental health, substance abuse, or any other information necessary only to determine the child's eligibility for SSI benefits, and may sign releases for the information. In the case of a child in the custody of juvenile court services, the state court administrator or administrator's designee acting on behalf of a child in foster care may release medical, mental health, substance abuse, or any other information necessary only to determine the child's eligibility for SSI benefits, and may sign releases for the information. In any release of information made pursuant to this subsection, confidentiality shall be maintained to the maximum extent possible.

7. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

8. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 1997, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$7,403,905. The department shall develop a formula, in consultation with the shelter care committee and the judicial department, to allocate shelter care funds to the department's regions. The department may adopt emergency rules to implement this subsection.

9. Of the funds appropriated in this section, not more than \$577,128 may be used to develop and maintain the state's implementation of the national adoption and foster care information system pursuant to the requirements of Pub. L. No. 99-509. The department may transfer funds as necessary from the appropriations in this Act for field operations and general administration to implement this subsection. Moneys allocated in accordance with this subsection shall be considered encumbered for the purposes of section 8.33.

10. Of the funds appropriated in this section, up to \$777,632 may be used as determined by the department for any of the following purposes:

- a. For general administration of the department to improve staff training efforts.
- b. For oversight of termination of parental rights and permanency planning efforts on a statewide basis.
- c. For personnel, assigned by the attorney general, to provide additional services relating to termination of parental rights and child in need of assistance cases.
- d. For specialized permanency planning field operations staff.

11. The department may adopt administrative rules following consultation with child welfare services providers to implement outcome-based child welfare services pilot projects. The rules may include, but are not limited to, the development of program descriptions, provider licensing and certification standards, reimbursement and payment amounts, contract requirements, assessment and service necessity requirements, eligibility criteria, claims submission procedures, and accountability standards.

12. Of the funds appropriated in this section, up to \$200,000 may be used to develop, in cooperation with providers of children and family services, juvenile court, and other interested parties, an outcomes-based approach for family-centered, family preservation, family-community-based support, and wrap-around services to evaluate and improve out-

comes for children and families. The department shall submit an outcomes-based budget for these programs and shall submit the budget with other budget documents required pursuant to section 8.23. The department may adopt administrative rules to implement this subsection.

13. The department shall continue to make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month.

14. Federal funds received by the state during the fiscal year beginning July 1, 1997, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section, shall be used as additional funding for services provided under this section. Moneys received by the department in accordance with the provisions of this subsection shall remain available for the purposes designated until June 30, 1999.

15. In each fiscal year, if the department determines that sufficient funds are available under the appropriation in this section, the department may transfer up to \$135,136 to the appropriation in this Act for field operations to fund up to an additional 5.00 FTEs beyond the authorized limit to respond to increased applications resulting from recruitment efforts in order to increase the number of adoptions of children with special needs.

16. In addition to the report for group foster care placements, the department shall report quarterly to the legislative fiscal bureau concerning the status of each region's funding expenditures compared with allocations in the regional plan for services provided under this section.

17. The department and juvenile court services shall develop criteria for the department regional administrator and chief juvenile court officer to grant exceptions to extend eligibility, within the funds allocated, for intensive tracking and supervision and for supervised community treatment to delinquent youth beyond age 18 who are subject to release from the state training school, a highly structured juvenile program, or group care. The department shall report the number of such exceptions granted and the related expenditures to the joint appropriations subcommittee on human services on or before January 1, 1998. The department may adopt emergency administrative rules to implement this subsection.

18. Of the moneys appropriated in this section, not more than \$900,000 is allocated to provide clinical assessment services as necessary to continue funding of children's rehabilitation services under medical assistance in accordance with federal law and requirements. The funding allocated is the amount projected to be necessary for providing the clinical assessment services. The department shall submit a report to the general assembly on or before January 1, 1998, regarding the development of a new model for determining rehabilitative needs in place of clinical assessment and treatment* teams. The department shall implement the new model on or before June 30, 1998, in a manner so as to reduce paperwork and other information requirements to the minimum level necessary for compliance with the federal requirements for the clinical assessment services.

19. The department shall adopt and implement emergency rules to provide for user fees for international and private adoptions. The fees collected shall be deposited in the adoption administrative fund and shall be used to provide these services.

Sec. 13. CONNER DECREE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For providing training in accordance with the consent decree of Conner v. Branstad, No. 4-86-CU-30871 (S.D. Iowa, July 14, 1994):

..... \$ 46,000

Sec. 14. COMMUNITY-BASED PROGRAMS — ADOLESCENT PREGNANCY PREVENTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following

* The word "consultation" probably intended

amount, or so much thereof as is necessary, to be used for the purpose designated:

For community-based programs, on the condition that family planning services are funded, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	2,270,000
.....	FTEs	1.00

1. Of the funds appropriated in this section, \$486,146 shall be used for adolescent pregnancy prevention grants, including not more than \$156,048 for programs to prevent pregnancies during the adolescent years and to provide support services for pregnant or parenting adolescents. It is the intent of the general assembly that by July 1, 1999, grants awarded under this subsection be required to meet the criteria under subsection 2 including the provision of community-wide services within the proximity of a community or region. In addition to the awarding of grants, funds may also be used for grant evaluation and for a statewide media campaign.

2. Of the funds appropriated in this section, \$298,000 shall be used for grants to community or regional groups which demonstrate broad-based representation from community representatives including but not limited to schools, churches, human service-related organizations, and businesses. Priority in the awarding of grants shall be given to groups which provide services to both urban and rural areas within the proximity of the community or region and which provide age-appropriate programs adapted for both male and female youth at the elementary, middle, and high school levels. A program shall focus on the prevention of initial pregnancies during the adolescent years by emphasizing sexual abstinence as the only completely safe and effective means of avoiding pregnancy and sexually transmitted diseases and by providing information regarding the comparative failure rates of contraceptives, and by emphasizing responsible decision making in relationships, managing of peer and social pressures, development of self-esteem, the costs and responsibilities of parenting, and information regarding the alternative of adoption for placement of a child. The program shall also include an evaluation and assessment component which includes evaluation of and recommendations for improvement of the program by the youth and parents involved. Evaluation and assessment reports shall be provided to the department of human services, at a time determined by the department in the grant award. Community or regional groups interested in applying for a grant under this subsection may be issued a planning grant or may utilize grant moneys for the costs of technical assistance to analyze community needs, match service providers to needs, negotiate service provision strategies, or other assistance to focus grant services provided under this subsection. The technical assistance may be provided by organizations affiliated with institutions under the authority of the state board of regents or other organizations experienced in providing technical assistance concerning similar services.

3. It is the intent of the general assembly that the department of human services and the Iowa department of public health shall identify existing abstinence education or community-based programs which comply with the requirements established in section 912, subchapter V, of the federal Social Security Act, as codified in 42 U.S.C. § 701 et seq. for matching of federal funds to be received on or after October 1, 1997.

4. Of the funds appropriated in this section, \$731,014 shall be used by the department for child abuse prevention grants.

Sec. 15. COURT-ORDERED SERVICES PROVIDED TO JUVENILES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4:

.....	\$	3,290,000
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1. Notwithstanding section 232.141 or any other provision of law, the funds appropriated in this section shall be allocated to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination on the allocations on or before June 15.

2. a. Each judicial district shall continue the planning group for the court-ordered services for juveniles provided in that district which was established pursuant to 1991 Iowa Acts, chapter 267, section 119. A planning group shall continue to perform its duties as specified in that law. Reimbursement rates for providers of court-ordered evaluation and treatment services paid under section 232.141, subsection 4, shall be negotiated with providers by each judicial district's planning group.

b. Each district planning group shall submit an annual report in January to the state court administrator and the department of human services. The report shall cover the preceding fiscal year and shall include a preliminary report on the current fiscal year. The administrator and the department shall compile these reports and submit the reports to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The department of human services shall develop policies and procedures to ensure that the funds appropriated in this section are spent only after all other reasonable actions have been taken to utilize other funding sources and community-based services. The policies and procedures shall be designed to achieve the following objectives relating to services provided under chapter 232:

a. Maximize the utilization of funds which may be available from the medical assistance program including usage of the early and periodic screening, diagnosis, and treatment (EPSDT) program.

b. Recover payments from any third-party insurance carrier which is liable for coverage of the services, including health insurance coverage.

c. Pursue development of agreements with regularly utilized out-of-state service providers which are intended to reduce per diem costs paid to those providers.

4. The department of human services, in consultation with the state court administrator and the judicial district planning groups, shall compile a monthly report describing spending in the districts for court-ordered services for juveniles, including the utilization of the medical assistance program. The reports shall be submitted on or before the twentieth day of each month to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Notwithstanding chapter 232 or any other provision of law, a district or juvenile court in a department of human services district shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district allocation to pay for the service. The chief juvenile court officer shall work with the judicial district planning group to encourage use of the funds appropriated in this section such that there are sufficient funds to pay for all court-related services during the entire year. The eight chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the allocations and shall cooperatively request the state court administrator to transfer funds between the districts' allocations as prudent.

6. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

7. Of the funds appropriated in this section, not more than \$100,000 may be used by the judicial department for administration of the requirements under this section and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

8. Of the funds appropriated in this section, not more than \$580,000 may be transferred to the appropriation in this Act for child and family services and used to provide school-based supervision of children adjudicated under chapter 232.

Sec. 16. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the state mental health institutes for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	41,480,900
.....	FTEs	888.10

1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:

a. State mental health institute at Cherokee:

.....	\$	13,199,400
.....	FTEs	296.98

b. State mental health institute at Clarinda:

.....	\$	6,324,400
.....	FTEs	136.82

c. State mental health institute at Independence:

.....	\$	17,133,200
.....	FTEs	366.82

For the fiscal year beginning July 1, 1997, the state mental health institute at Independence shall implement a pilot project accounting test of managing revenues and expenditures attributable to the mental health institute in a manner that permits the net state expenditure amount to be determined. The mental health institute shall submit a preliminary report in January 1998, and a status report in October 1998, to the governor and the joint appropriations subcommittee on human services concerning the pilot project. The reports shall identify advantages and disadvantages of utilizing the pilot project approach and any changes in policy or statute identified to improve an implementation of the pilot project approach.

d. State mental health institute at Mount Pleasant:

.....	\$	4,823,900
.....	FTEs	87.48

The department shall develop a plan for implementing a dual diagnosis program at the state mental institute at Mount Pleasant to commence July 1, 1998. The department shall submit the plan to the governor and the general assembly on or before January 2, 1998.

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

3. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state.

Sec. 17. HOSPITAL-SCHOOLS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the state hospital-schools, for salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	28,613,376
.....	FTEs	1508.00

1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:

a. State hospital-school at Glenwood:

.....	\$	2,108,276
.....	FTEs	872.50

(1) The department shall implement a pilot project of operating the hospital-school with a net general fund appropriation. The amount allocated in this paragraph is the net state appropriation amount projected to be needed for the state hospital-school at Glenwood. Purposes of the pilot project are to encourage the hospital-school to operate with increased self-sufficiency, to improve quality and efficiency, and to support collaborative efforts between the hospital-school and counties and other funders of services available from the hospital-school. The pilot project shall not be implemented in a manner which results in a cost increase to the state or cost shifting between the state, the medical assistance program, counties, or other sources of funding for the state hospital-school. Moneys allocated in this paragraph may be used throughout the fiscal year in the manner necessary for purposes of cash flow management, and for purposes of cash flow management the hospital-school may temporarily draw more than the amount allocated, provided the amount allocated is not exceeded at the close of the fiscal year.

(2) In implementing the pilot project, subject to the approval of the department, except for revenues under section 249A.11, revenues attributable to the state hospital-school for the fiscal year beginning July 1, 1997, shall be deposited into the hospital-school's account, including but not limited to all of the following:

(a) Moneys received by the state from billings to counties under section 222.73.

(b) The federal share of medical assistance revenue received under chapter 249A.

(c) Federal Medicare program payments.

(d) Moneys received from client financial participation.

(e) Other revenues generated from current, new, or expanded services which the state hospital-school is authorized to provide.

(3) For the initial year of the pilot project, the institution shall develop a report detailing the items for which depreciation reimbursement funds would have been utilized if the depreciation reimbursement had been retained by the institution. This report shall be included with the preliminary report submitted pursuant to subparagraph (5) in January 1998.

(4) For the purposes of allocating the salary adjustment fund moneys appropriated in another Act, the state hospital-school at Glenwood shall be considered to be funded entirely with state moneys.

(5) The state hospital-school and the department shall submit a preliminary report in January 1998, and a status report in October 1998, to the governor and the joint appropriations subcommittee on human services concerning the pilot project.

b. State hospital-school at Woodward:

.....	\$	26,505,100
.....	FTEs	635.50

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

3. The department may implement a pilot project to bill for state hospital-school services utilizing a scope of services used for private providers of intermediate care facilities for persons with mental retardation services in a manner which does not shift costs between the medical assistance program, counties, or other sources of funding for the state-hospital schools.

Sec. 18. MENTAL ILLNESS SPECIAL SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental illness special services:

.....	\$	121,220
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1. The department and the Iowa finance authority shall develop methods to implement the financing for existing community-based facilities and to implement financing for the development of affordable community-based housing facilities. The department shall assure that clients are referred to the housing as it is developed.

2. The funds appropriated in this section are to provide funds for construction and start-up costs to develop community living arrangements to provide for persons with mental illness who are homeless. These funds may be used to match federal Stewart B. McKinney Homeless Assistance Act grant funds. Programs or areas which have previously received funding shall be eligible for additional funding under this appropriation.

Sec. 19. FAMILY SUPPORT SUBSIDY PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used by the division of children and family services for the purpose designated:

For the family support subsidy program:

..... \$ 1,670,000

The department may use up to \$200,000 of the moneys appropriated in this section to continue the children-at-home program, of which not more than \$30,000 shall be used for administrative costs.

Sec. 20. SPECIAL NEEDS GRANTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability:

..... \$ 53,212

Grants must be used by a family to defray special costs of caring for the family member to prevent out-of-home placement of the family member or to provide for independent living costs. The grants may be administered by a private nonprofit agency which serves people statewide provided that no administrative costs are received by the agency. Regular reports regarding the special needs grants with the family support subsidy program and an annual report concerning the characteristics of the grantees shall be provided to the legislative fiscal bureau.

Sec. 21. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:

..... \$ 6,910,000

If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the services paid for under this section are exempt from the department's purchase of service system requirements. The department shall adopt rules to implement the provisions of this paragraph.

Sec. 22. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES — COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this Act:

..... \$ 17,400,000

1. Of the funds appropriated in this section, \$17,121,138 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county's proportion of the state's general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with a disability, as defined in section 225C.2. However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$30,000 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. The department shall submit an annual report concerning each population served and each service funded in this section to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Of the funds appropriated in this section, not more than \$248,862 shall be provided to those counties having supplemental per diem contracts in effect on June 30, 1994, which were originally initiated under 1993 Iowa Acts, chapter 172, section 16, subsection 2. The amount provided to each county shall be equal to the amount the county would be eligible to receive under the supplemental per diem contracts in effect on June 30, 1994, if the contracts were continued in effect for the entire fiscal year beginning July 1, 1997.

6. a. Funding appropriated for purposes of the federal social services block grant is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with eligibility guidelines established in the department's rules outlining general provisions for service administration. Services eligible for payment with funds allocated in this subsection are limited to any of the following which are provided in accordance with the department's administrative rules for the services: adult support, adult day care, administrative support for volunteers, community supervised apartment living arrangements, residential services for adults, sheltered work, supported employment, supported work training, transportation, and work activity.

c. In purchasing services with funds allocated in this subsection, a county shall designate a person to provide for eligibility determination and development of a case plan for individuals for whom the services are purchased. The designated person shall be a medical assistance case manager serving the person's county of residence. If an individual does not have a case manager, the individual's eligibility shall be determined by a social services caseworker of the department serving the individual's county of residence. The case plan shall be developed in accordance with the department's rules outlining general provisions for service administration.

d. Services purchased with funds allocated in this subsection must be the result of a referral by the person who identified the services in developing the individual's case plan.

e. Services purchased with funds allocated in this subsection must be under a purchase of service contract established in accordance with the department's administrative rules for purchase of service.

f. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

g. Each county shall submit to the department a plan for funding of the services eligible for payment under this subsection. The plan may provide for allocation of the funds for one or more of the eligible services. The plan shall identify the funding amount the county allocates for each service and the time period for which the funding will be available. Only those services which have funding allocated in the plan are eligible for payment with funds provided in this subsection.

h. A county shall provide advance notice to the individual receiving services, the service provider, and the person responsible for developing the case plan of the date the county determines that funding will no longer be available for a service.

i. The moneys provided under this subsection do not establish an entitlement to the services funded under this subsection.

7. If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the county shall be considered to have met the requirements of subsection 2, and subsection 6, paragraphs "b", "c", "d", "e", and "g". The department shall adopt rules to implement the provisions of this subsection.

8. It is the intent of the general assembly that to the extent possible, public funding for mental retardation and developmental disabilities services should be used in a flexible manner to reduce reliance on institutional-based services. To this end, a county may amend the county's service management plans for mental retardation and developmental disabilities services submitted for the fiscal year beginning July 1, 1997, under section 331.439, as necessary for the county to provide appropriate assistance in lieu of placement of an individual in an intermediate care facility for persons with mental retardation or other institutional placement. The appropriate assistance may be modeled on the personal assistance and family support subsidy programs under chapter 225C.

Sec. 23. PROVIDER REIMBURSEMENT — SHELTERED WORKSHOPS — WORK ACTIVITY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For payment of an increased provider reimbursement for sheltered workshops and work activity services:

..... \$ 160,000

The moneys appropriated in this section shall be allocated to counties in accordance with the methodology for distribution of local purchase of services moneys in section 22, subsection 6, paragraph "f", of this Act. The moneys provided pursuant to this section shall be used to pay the increase in reimbursement rates by one percent over the reimbursement rate provided on June 30, 1997, for sheltered workshops and work activity services.

Sec. 24. PERSONAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal assistance services program in accordance with this section:

..... \$ 364,000

The funds appropriated in this section shall be used to continue the pilot project for the personal assistance services program under section 225C.46 in an urban and a rural area. Not more than \$36,400 shall be used for administrative costs. The pilot project and any federal home and community-based waiver developed under the medical assistance program shall not be implemented in a manner which would require additional county or state costs for assistance provided to an individual served under the pilot project or the waiver.

It is the intent of the general assembly that for any new applicants for personal assistance, priority shall be given to providing assistance to individuals for education, job train-

ing, and other forms of employment support. It is also the intent of the general assembly that if other programs become available which provide similar services, current recipients of personal assistance for whom these similar services are appropriate shall be assisted in attaining eligibility for these programs.

Sec. 25. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	47,500,000
.....	FTEs	2,047.00

Of the full-time equivalent positions authorized in this section, there are additional positions in excess of the number authorized for the previous fiscal year. It is the intent of the general assembly that of the additional positions, up to 20 FTEs may be utilized for incremental expansion of the assessment-based approach for responding to reports of child abuse.

Sec. 26. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	14,100,000
.....	FTEs	383.00

Of the funds appropriated in this section, \$57,090 is allocated for the prevention of disabilities policy council established in section 225B.3.

If an expenditure reduction or other cost-saving measure is deemed necessary to maintain expenditures within the amount appropriated to the department in this section, the department shall not implement the reduction or other measure in a manner which reduces service funding for disability rehabilitation programs, including but not limited to, statewide supported employment programs or reduces the drawdown of federal funding.

Sec. 27. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1997, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

.....	\$	98,900
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Sec. 28. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. For the fiscal year beginning July 1, 1997, the rate for skilled nursing facilities shall be increased by 3.3 percent over the rates in effect on June 30, 1997.

b. For the fiscal year beginning July 1, 1997, the dispensing fee for pharmacists shall remain at the rate in effect on June 30, 1997. The reimbursement policy for drug product costs shall be in accordance with federal requirements.

c. For the fiscal year beginning July 1, 1997, reimbursement rates for inpatient and outpatient hospital services shall be increased by 2.8 percent over the rates in effect on June 30, 1997. The department shall continue the outpatient hospital reimbursement system based upon ambulatory patient groups implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "F". In addition, the department shall continue the

revised medical assistance payment policy implemented pursuant to that paragraph to provide reimbursement for costs of screening and treatment provided in the hospital emergency room if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program.

d. Reimbursement rates for rural health clinics shall be increased in accordance with increases under the federal Medicare program.

e. Home health agencies certified for the federal Medicare program, hospice services, and acute care mental hospitals shall be reimbursed for their current federal Medicare audited costs.

f. The basis for establishing the maximum medical assistance reimbursement rate for nursing facilities shall be the 70th percentile of facility costs as calculated from the June 30, 1997, unaudited compilation of cost and statistical data. However, to the extent funds are available within the amount projected for reimbursement of nursing facilities within the appropriation for medical assistance in this Act for fiscal year beginning July 1, 1997, and within the appropriation for medical assistance as a whole for fiscal year beginning July 1, 1997, the department shall adjust the maximum medical assistance reimbursement for nursing facilities to the 70th percentile, as calculated on December 31, 1997, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1998.

g. Federally qualified health centers shall be reimbursed at 100 percent of reasonable costs as determined by the department in accordance with federal requirements.

h. The reimbursement for dental services shall remain at the rates in effect on June 30, 1997.

2. For the fiscal year beginning July 1, 1997, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall not be less than \$22.20 per day. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall not be less than \$15.88 per day. For the fiscal year beginning July 1, 1997, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall not be less than \$426.78 per month.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 1996.

4. Notwithstanding section 234.38, in the fiscal year beginning July 1, 1997, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$13.01, the rate for children ages 6 through 11 years shall be \$13.77, the rate for children ages 12 through 15 years shall be \$15.48, and the rate for children ages 16 and older shall be \$15.47.

5. For the fiscal year beginning July 1, 1997, the maximum reimbursement rates for nonrehabilitative treatment and supportive services and for social service providers shall be the same as the rates in effect on June 30, 1997, except under any of the following circumstances:

a. If a new service was added after June 30, 1997, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

c. The department revises the reimbursement rates as part of the changes in the mental health and developmental disabilities services system initiated pursuant to 1995 Iowa Acts, chapter 206, and associated legislation.

6. The group foster care reimbursement rates paid for placement of children out-of-state shall be calculated according to the same rate-setting principles as those used for in-state providers unless the director determines that appropriate care cannot be provided within the

state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

7. For the fiscal year beginning July 1, 1997, the combined service and maintenance components of the reimbursement rate paid to a shelter care provider shall be based on the cost report submitted to the department. The maximum reimbursement rate shall be \$76.61 per day. If the department would reimburse the provider at less than the maximum rate but the provider's cost report justifies a rate of at least \$76.61, the department shall readjust the provider's reimbursement rate to the maximum reimbursement rate.

8. For the fiscal year beginning July 1, 1997, the department shall calculate reimbursement rates for intermediate care facilities for persons with mental retardation at the 80th percentile.

9. For the fiscal year beginning July 1, 1997, for child day care providers, the department shall set provider reimbursement rates based on the rate reimbursement survey completed in December 1996. The department shall set rates in a manner so as to provide incentives for a nonregistered provider to become registered. The department shall review the effects of providing a rate reimbursement incentive on child day care availability including but not limited to any change in the number of providers who are registered and the effect on access to providers in rural and urban areas. The department shall report the findings of the review to the general assembly on or before January 2, 1998.

10. The department may, at no cost to the state, implement a pilot project to examine use of a payment system for pharmaceutical care services provided by pharmacists under the medical assistance program.

11. The department of human services shall revise the financial and statistical report form applicable to nursing facilities to incorporate the recommendations made as the result of the directive relating to nursing facilities in accordance with 1996 Iowa Acts, chapter 1213, section 25, subsection 12. The revisions shall include, but are not limited to, the addition of a category labeled "Patient Care Services" which shall be subdivided into the subcategories of "Direct Patient Care Costs" and "Support Care Costs". Costs associated with food and dietary wages shall be included in the "Support Care Costs" subcategory. The department may adopt emergency rules to implement this subsection.

12. For the fiscal year beginning July 1, 1997, the reimbursement rate for psychiatric medical institutions for children shall be increased by 3 percent over the rates in effect on June 30, 1997.

13. The department may adopt emergency rules to implement the provisions of this section.

Sec. 29. STATE INSTITUTIONS — CLOSINGS AND REDUCTIONS.

1. If a state institution administered by the department of human services is to be closed or reduced in size, prior to the closing or reduction the department shall initiate and coordinate efforts in cooperation with the Iowa department of economic development to develop new jobs in the area in which the state institution is located. In addition, the department may take other actions to utilize any closed unit or other facilities and services of an institution, including but not limited to assisting public or private organizations in utilizing the services and facilities. The actions may also include assisting an organization with remodeling and lease costs by forgiving future rental or lease payments to the extent necessary for a period not to exceed five years. The department of human services and the department of economic development shall submit a joint report to the chairpersons and ranking members of the joint appropriations subcommittee on human services on or before January 2, 1998, regarding any efforts made pursuant to this subsection.

2. For purposes of this section, "state institution" means a state mental health institute, a state hospital-school, the state training school, and the Iowa juvenile home under the authority of the department of human services listed in section 218.1. **If excess capacity exists at a state institution beyond the capacity required for placements at the institution under law,*

* Item veto; see message at end of the Act

*the department of human services may enter into a contract with a managed care provider or an organized delivery system for health care, to provide services during the fiscal year beginning July 1, 1997, at the institution for the plan or system without use of county funds.**

Sec. 30. PROGRAM SIMPLIFICATION — PAPERWORK REDUCTION. The department of human services shall consult with providers of services relating to child and family services and personal assistance to review provider reporting requirements, applicant and recipient process and documentation requirements, and other paperwork and process requirements. Following the review and no later than January 1, 1999, the department shall implement a process which provides, at a minimum, for a simplified means of demonstrating compliance of providers, applicants, and recipients with document and process requirements which shall include consolidation of reports and forms and which may provide for submission of reports and forms in an electronic format.

Sec. 31. JUVENILE JUSTICE ISSUES. The legislative council is requested to establish a juvenile justice issues oversight task force. If established, the task force should be directed to consider the impact of juvenile problems, duplication in intervention services, and gaps in service provision. The membership of the task force should include interested members of the joint appropriations subcommittees on human services, health and human rights, justice system, and education and of the standing committees for these subject areas.

Sec. 32. SERVICES RESTRUCTURING TASK FORCE.

1. The legislative council is requested to continue the task force established for the 1996 interim of the general assembly in order to develop a comprehensive proposal to accomplish all of the following:

- a. Devolution of the control of service delivery to the local level.
- b. Elimination of program duplication within the department of human services and between the department of human services and other departments including but not limited to the Iowa department of public health, the department of education, and the judicial department.
- c. Reduction of paperwork, red-tape, and bureaucracy to improve the quality of services delivery and consumer satisfaction.
- d. Evaluation of the adherence of the department of human services to the department's mission statement.

2. In addition, the task force may address the following topics: granting local authority to deliver public services, use of public institutions and facilities, the possibility of creating an agency for disability and rehabilitation services, and development of a "seamless" system for referral of families to child day care resources and public financial assistance and collaborative programs.

Sec. 33. CHILDREN WITH MENTAL RETARDATION. It is the intent of the general assembly to appropriate funding of services to children with mental retardation in a manner so that beginning July 1, 1998, separate funding categories for the services will be pooled. The tentative name for the combined funding pool is "Mental Retardation — Most Appropriate Groupcare Initiative for Children" or "MR — MAGIC". The service funding streams to be considered for the funding pool shall include but are not limited to the following services or programs to support children with mental retardation and their families: family support subsidy, intermediate care facility for persons with mental retardation, medical assistance home and community-based waiver services, group foster care, in-home services and other support, state hospital-schools, and state cases. The department of human services shall convene a work group to make recommendations for implementation of the MR — MAGIC funding pool. The work group shall include representatives of the department, the personal assistance and family support services council, service providers, families, and advocates.

* Item veto; see message at end of the Act

The recommendations shall be submitted to the governor and general assembly on or before October 15, 1997.

Sec. 34. MENTAL HEALTH — CHILDREN. The mental health and developmental disabilities commission, the council on human services, and the state-county management committee, shall review mental health services for children with the goal of assuring coordination, financing, and provision of effective services. The commission, council, and committee shall submit a report of findings and recommendations, which shall include recommendations for proposed legislation, to the general assembly on or before December 15, 1997.

Sec. 35. TRANSFER AUTHORITY. Subject to the provisions of section 8.39, for the fiscal year beginning July 1, 1997, if necessary to meet federal maintenance of effort requirements or to transfer federal temporary assistance for needy families block grant funding to be used for purposes of the federal social services block grant, the department of human services may transfer between any of the appropriations made in this Act to the department for the following purposes, provided that the combined amount of state and federal temporary assistance for needy families block grant funding for each appropriation remains the same before and after the transfer:

1. For the family investment program.
2. For emergency assistance.
3. For child day care assistance.
4. For child and family services.
5. For field operations.
6. For general administration.

This section shall not be construed to prohibit existing state transfer authority for other purposes.

Sec. 36. YOUTH SERVICES DEPARTMENT — STUDY. The legislative council is requested to establish an interim study committee consisting of members of both political parties from both houses of the general assembly to consider whether a separate state department for youth services should be established. The study may include, but is not limited to, a review of existing programs and services provided to juveniles in this state and the funding mechanisms for those programs and services; identifying the various agencies currently involved in the delivery of those programs and services to juveniles; identifying areas in which programs and services overlap; reviewing the approaches used and experiences of other states in delivering juvenile services; and receiving testimony from agency staff, service providers, and youth services advocates on issues deemed relevant to the delivery of juvenile services in this state. The committee may be authorized to hire a consultant to provide the background information requested by the committee. The committee should be directed to submit its findings, together with any recommendations, in a report to the general assembly session which convenes in January 1998.

Sec. 37. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and mental retardation commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless the effective date is delayed by the administrative rules review committee, notwithstanding section 17A.4, subsection 5, and section 17A.8, subsection 9, or a later effective date is specified in the rules. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 38. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint

appropriations subcommittee on human services, the legislative fiscal bureau, the legislative service bureau, and to the caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 39. EFFECTIVE DATE. Section 15, subsection 1, of this division of this Act, relating to determining allocation of court-ordered services funding, and section 3, subsection 8,* relating to remaining unobligated or unexpended funds for the JOBS program, being deemed of immediate importance, take effect upon enactment.

DIVISION II CODIFIED PROVISIONS

Sec. 40. Section 232.52, subsection 2, paragraph e, subparagraph (4), Code 1997, is amended to read as follows:

(4) The child has previously been placed in a treatment facility outside the child's home or in a supervised community treatment program established pursuant to section 232.191, subsection 4, as a result of a prior delinquency adjudication.

Approved May 19, 1997, except the items which I hereby disapprove and which are designated as that portion of Section 1, subsection 1 which is herein bracketed in ink and initialed by me; Section 12, subsection 2, paragraph d, subparagraph 2 in its entirety; and that portion of Section 29, subsection 2 which is herein bracketed in ink and initialed by me. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the Secretary of State this same date, a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor

Dear Mr. Secretary:

I hereby transmit House File 715, an Act relating to appropriations for the Department of Human Services and the prevention of disabilities policy council and including other provisions and appropriations involving human services and health care, and providing for effective and applicability dates.

House File 715 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the designated portion of section 1, subsection 1. This item would limit the Department of Human Services in selecting only existing community collaboratives to provide support services to participants in the Family Investment program. The criteria proposed in the bill would be useful in making decisions relating to existing collaboratives, however, it should not be used to preclude the selection of a new collaborative.

I am unable to approve the item designated as section 12, subsection 2, paragraph d, subparagraph 2, in its entirety. This item may prohibit the inclusion of psychiatric medical institutions for children (PMICs) in the managed mental health care contract. I have been assured that the department will not amend the existing managed mental health contract to include PMICs. Future decisions to include PMICs in the mental health contract should not be prohibited but should be considered in the context of what will provide the best quality of care for children covered by the Medicaid program, in a manner that is cost effective for Iowa taxpayers. The department will be working with the provider community, including PMIC providers, in the development of the new request for proposals (RFP) for the managed mental health contract to be implemented in July of 1998.

* Subsection 7 probably intended

I am unable to approve the designated portion of section 29, subsection 2. This item would prohibit a state institution with excess capacity from entering into a contract to provide services to a county under an approved county management plan. The opportunity to contract with a state institution should remain as an option available to counties operating as their own managed care providers.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in House File 715 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*

CHAPTER 209

SUPPLEMENTAL AND OTHER APPROPRIATIONS AND MISCELLANEOUS PROVISIONS

S.F. 542

AN ACT relating to and making supplemental and other appropriations for the fiscal year beginning July 1, 1996, and subsequent fiscal years, reestablishing a domestic abuse services income tax checkoff, including retroactive applicability provisions, and providing effective dates.

Be It Enacted by the General Assembly of the State of Iowa:

DIVISION I

Section 1. DEPARTMENT OF GENERAL SERVICES. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, to supplement the appropriations made in 1996 Iowa Acts, chapter 1211, section 5, subsection 6, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For utility costs:

..... \$ 234,591

Sec. 2. DEPARTMENT OF GENERAL SERVICES — CENTURY DATE CHANGE. There is appropriated from the general fund of the state to the department of general services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For state acquisition in accordance with the competitive bidding requirements of this section and as a condition of the appropriation made in this subsection of new information technology hardware and software which already includes the century date change programming and which achieves additional purposes in replacing state hardware and software for which the century date change programming is required:

..... \$ 2,000,000

Moneys appropriated in this subsection shall be used for the purpose designated and notwithstanding section 8.39 are not subject to transfer or use for any other purpose.

2. For the costs of century date change programming in existing state information technology software when state acquisition of new information technology hardware and software which already includes the century date change programming and which achieves